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FM AMEMBASSY TEGUCIGALPA  
TO RUEHC/SECSTATE WASHDC IMMEDIATE 2226  
INFO RUEHZA/WHA CENTRAL AMERICAN COLLECTIVE PRIORITY  
RUEHCV/AMEMBASSY CARACAS PRIORITY 0376  
RUEHME/AMEMBASSY MEXICO PRIORITY 6419  
RHEBAAA/DEPT OF ENERGY WASHDC PRIORITY  
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S E C R E T SECTION 01 OF 03 TEGUCIGALPA 001000

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STATE FOR EB/ESC, WHA/EPSC, WHA/PPC, AND WHA/CEN  
STATE FOR D, E, P, AND WHA  
TREASURY FOR JHOEK  
NSC FOR DAN FISK

E.O. 12958: DECL: 06/01/2036

TAGS: [PREL](#) [EPET](#) [ENRG](#) [PGOV](#) [PINR](#) [VZ](#) [HO](#)

SUBJECT: (S) UNDER ATTACK, HONDURAN VICE PRESIDENT TROUBLED  
BY INFLUENCE OF CERTAIN LEFTIST PRESIDENTIAL ADVISORS

REF: TEGUCIGALPA 985 AND PREVIOUS

Classified By: Ambassador Charles A. Ford for reasons 1.4 (b) and (d)

11. (S) Summary: Honduran Vice President Elvin Santos respects President Jose Manuel "Mel" Zelaya, but fears the influence that certain leftist advisors surrounding him are exercising over Honduran policy. Zelaya is trying, in his view, to "play both sides" but will be unlikely to abandon his current populist trajectory unless presented with a major failure. Santos has objected privately to current policies, which has resulted in his being cut out of the policy-making process and, in his view, targeted by a conspiracy of his rivals. Santos very much seeks assistance from any quarter in convincing Zelaya to abandon what Santos sees as his improvised and often misguided approach before he squanders Honduras' best chance for economic growth. That said, he is concerned that there is little that will prove effective in moving Zelaya. Post does not see such a dire situation as does Santos, who feels he is fighting for his political life. Post notes that despite his rhetoric, Zelaya has supported nearly all significant U.S. national interests, and is clearly pro-U.S. in orientation. That said, a number of Zelaya's advisors have succeeded in engaging him in populist and leftist-inspired policies that bear close scrutiny and vigilance. The USG could assist Santos and other GOH moderates by sending a clear signal about our views on the GOH's flirtation with Chavez. End Summary.

12. (S) In a surprisingly frank dinner discussion with Ambassador and EconChief on May 22, Honduran Vice President Elvin Santos confided his frustrations and concerns over President Jose Manuel "Mel" Zelaya Rosales' continued policy improvisations, and his susceptibility to the "hard leftist" influence of his closest advisors (Liberal Party President Patricia Rodas, Foreign Minister Milton Jimenez, and others). Referring to the historic conjunction of debt relief, the CAFTA free trade agreement, and solid macroeconomic foundations, Santos at one point castigated the Zelaya Administration, saying "they are throwing away the best chance Honduras has ever had."

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Zelaya: "A Great Man"  
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¶3. (S) By turns loyal to his boss and deeply critical of him, Santos nevertheless was clear that he has a great respect for Zelaya. Zelaya is "a great man," Santos said, and one with whom he has a strong personal friendship and respect. The problem, as he sees it, is that Zelaya has surrounded himself with leftist advisors, who "know where they want to go." While Zelaya himself is widely seen as improvising his policy, Santos said, those who advise him have clearer goals in mind. This leaves Zelaya -- a decisive decisionmaker, but one not given to deep policy analysis, in Post's view -- vulnerable to the attractions of short-term political expediency. Citing examples, Santos called Zelaya's handling of the teachers' protests "a disaster" and lamented the poor GOH handling of energy issues as well (reported extensively reftels). The one bright spot to date has been Zelaya's decision to protect the forests, which Santos considers an unqualified policy success. (Comment: Interestingly, this is one of the few policy areas in which Zelaya has taken a leadership role, setting the course of that policy personally. This suggests that his instincts are sound, and that he would be better served by seeking his own counsel than that of some of his current advisors. End Comment.)

¶4. (S) It has been clear for some time, Santos told Ambassador, that Zelaya is seeking a closer relationship with Venezuelan President Hugo Chavez. Hoping to prevent any precipitous agreements with Chavez on the margins of the Vienna Summit, Santos tried to convince Zelaya to send him instead. Santos had been puzzled and frustrated by Zelaya's unwillingness to decide on who should go until his return from the inauguration of Costa Rican President Oscar Arias on

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May 8. Zelaya intended to meet with Chavez in Costa Rica, and, had he succeeded in doing so, would likely have sent Santos to represent him in Vienna. Only when Chavez did not attend the Costa Rica event did Zelaya finally decide to go personally to Vienna on May 10. When Santos realized this, he said, "All the pieces fell into place." Santos was therefore unsurprised by the Zelaya/Chavez press remarks on oil cooperation following the summit, or by Zelaya's failure to focus on the biggest story to come out of that event: the start of European Union - Central American trade talks.

¶5. (S) Comment: Post concurs with Santos that Zelaya has sought warmer relations with Chavez for some time. In our view, however, this is not indicative of ideological kinship. Zelaya seems drawn to the charismatic Chavez, but has shown none of his anti-democratic tendencies. Though he too frequently resorts to the populist political quick-fix (reftel), Zelaya is not himself a leftist. Zelaya strongly supported CAFTA entry into force, and expressed disdain for transitional measures included in the agreement to protect vested Honduran interests. Zelaya has fully supported USG efforts to improve immigration and counter-drug enforcement, and is entertaining a USG request to expand both the Soto Cano airbase and the U.S. military footprint there. Zelaya has personally met with nearly every senior USG visitor to Honduras, and on his inauguration day left Princes and Presidents waiting in the wings while he met first with the USG delegation, headed by Attorney General Gonzalez. Zelaya has visited both the Embassy and the Ambassador's residence on numerous occasions, for both private chats and formal policy discussions. Bucking his own political advisors, Zelaya recently made a public visit to the USS Underwood, the first U.S. warship to visit the Honduran mainland in two decades, and he has concluded settlement of a long-standing land border dispute with El Salvador. Though he has not yet taken any tough action on the endemic corruption that plagues Honduras, he fully supports MCC, USAID, and Treasury efforts at reform and increased transparency. He maintains close and friendly ties with the Catholic Church's Cardinal Oscar Rodriguez, and clearly seeks to maintain those same close and supportive ties with the USG. End Comment.

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"A Conspiracy Against Me Every Day"  
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15. (S) Santos said that once he had made it clear to the inner circle surrounding Zelaya that he did not support their leftist political agenda, he was effectively shut out. Santos was forced to hire his own staff, locate his own office space outside the Presidency, and "even set up (his) own computer system." Since then, he argues, that inner circle has been striving to discredit him, organizing marches and even paying protesters to make allegations against him. Having received word in early May, for example, that he would be denounced for "selling out Honduran interests to El Salvador" by supporting a hydroelectric project on the shared border, Santos quickly got out in front of the issue by calling for addressing domestic energy needs first. He said his quick action stole a march on the protesters -- whom he claimed had been primed with an anti-Santos message by his political opponents within the Presidency itself -- and let him "score a goal." For similar reasons Santos positioned himself in late May as a hawk on the issue of Honduran F-5 fighters. While his comments at the time were not helpful in reducing regional rivalries, they were successful in both appearing to distance him from the USG and presenting him to the public as "a patriot above all else."

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"There's Nothing You Can Offer Him"  
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16. (S) Asked point-blank if Zelaya could be turned from his current course, Santos said, "Yes, definitely." (Comment: Post concurs, and suggests POTUS send such a signal during his June 5 meeting with Zelaya -- see reftel. End Comment.) Pressed on how that could be accomplished, though, Santos

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struggled for a strategy. Zelaya, he is convinced, is "playing both sides," waiting to see what strategy works. Should Zelaya's current leftist-inspired approach fail, Santos is convinced he would abandon it in favor of a more orthodox approach. In the meantime, Zelaya will continue to court Chavez, and will await the results of upcoming elections in Mexico and Nicaragua. Santos predicts that, depending on how domestic policy evolves and how these international elections play out, Zelaya could shake up his cabinet after December.

17. (S) Santos shared others' concern, however, that Honduras cannot afford to wait until the end of the year to set its course, and certainly cannot afford to wait for its social and economic policies to fail before reforming them. Asked what the USG could say to Zelaya that might encourage him to alter his policies sooner, Santos said, "There's nothing you can offer him that will make him change his mind. You need to threaten him." That said, Santos conceded, Zelaya is a proud man who would not react well to overt threats, but he is inexperienced in international affairs and could miss the key message in a more subtly made approach. Asked how in that case to best influence Zelaya, Santos thought carefully, and sighed, saying, "I don't know. I just don't know." The anguish in his voice appeared both evident and genuine.

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Comment  
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18. (S) Comment: Santos, an upper-class businessman, is not a politician by background, and is clearly struggling with the bitter internecine battles being waged inside this newly-elected administration. He has never had his own political standing in the party or with the general public, and was chosen as Zelaya's running mate as a marriage of convenience. He has clashed from the beginning with close

presidential advisor and Liberal Party president Patty Rodas.

He faces the dual challenge of defining the Vice Presidency -- a position which has not previously existed in its current form -- and also staking out a socio-economic position that is in conflict with many of those that surround him. Santos fears that current policies could lead Honduras to disaster, yet he recognizes that he has little influence over those policies. He maintains a respect for Zelaya and believes that he will come around, but only if forced to do so by events. Unfortunately, every day that passes in which good policies are not put into place, and every move Zelaya makes towards a more populist stance, only risks further squandering Honduras' once-in-a-lifetime opportunity to succeed. Santos continues to look for allies in his effort to shift Zelaya's thinking, but after only 100 days in office the strain is already starting to show.

19. (S) Santos' analysis that Zelaya is being pulled to the left by Patty Rodas and her allies is shared by many other observers. With no clear counterweight within the Administration, some think that former President Carlos Flores is the only Liberal Party heavyweight who could point Zelaya in a more centrist direction. The question is whether Flores' relationship with Zelaya and his close advisors is close enough to be truly effective in that role. Per reftel, Post believes that a strong signal from the highest levels of the USG to Zelaya will help counter the influence of his more leftist advisors, and strengthen his confidence in his own, largely pro-U.S., convictions. End Comment.

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